

"whoever fraudulent
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“ Whoever cheats and thereby dishonestly induces the person deceived to deliver any property to any person, or to make, alter or destroy the whole or any part of a valuable security, or anything which is signed or sealed, and which is capable of being converted into a valuable security, shall be punished with imprisonment of either description for a term which may extend to seven years, and shall also be liable to fine.” Ingredients: The offence of cheating under Section 420 as defined in Section 415 has two essential ingredients, viz., (i) deceit, i.

e., dishonest or fraudulent misrepresentation to a person, and (ii) the inducing of that person thereby to deliver property. Where the prosecution has not proved inducement to pay higher price than the worth of the article the offence of cheating is not established. In the case of Sri Bhagwan Samrdha S. V.

V. V. Mahraj v. State of Andhra Pradesh and others, it was held that if somebody offers his prayer to God for healing the sick, there cannot normally be any element of fraud.

But if he represents to another that he has divine powers and either directly or indirectly makes that another person believe that he has such divine powers it is inducement under this section. Anybody who responds to such inducement pursuant to it and gives the inducer money or any other article and does not get the desired result, is a victim of the fraudulent representation. Court can presume that the offence of cheating under section 420 has been committed. The question whether the evidence discloses only a breach of civil liability or a criminal offence under Section

40, depends upon whether the complainant in parting with his money acted on the representations of the accused and in belief of the truth thereof and whether those representations, when made were in fact false to the knowledge of the accused and whether he had a dishonest intention from the outset. It is not necessary that a false pretence should be made by the appellant in express words. It may be inferred from all the circumstances including the conduct of the appellant in obtaining the property.

The fact that the procedure adopted by the accused was not strictly in accordance with the rules prescribed for purchases would not by itself lead to an inference of fraud or any other criminality on his part. Even if gross negligence on his part is proved, it cannot be said that he was actuated with a criminal intent. The fact that in some cases prices higher than those quoted by certain firms were paid cannot without anything more lead to the conclusion of any fraudulent intent. It was held that the term 'property' under Section 420 of IPC includes money.